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Monthly
Failures

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MONTHLY FAILURES CLIMB ABOVE YEAR-AGO IN SEVEN OF NINE GEOGRAPHIC REGIONS

NEW YORK, November 9 -- With a climb in all except two geographic regions, business failures continued in May their uptrend from '78 levels, reports Dun & Bradstreet. Although business casualties dipped a modest 3.5 per cent to 708 in May from the 21-month peak of 734 in April, they maintained a 21.4 per cent rise above the year-ago rate of 583 in the like month.

Liabilities incurred by concerns failing in May totalled $200.4 million, down from $242.8 million in the previous month. However, increases from year-ago casualty rates prevailed in all size groups. The steepest jump took place in million dollar bankruptcies which more than doubled their year-earlier pace and were largely responsible for boosting this May's liabilities 25 per cent above the $160.4 million in '78.

A slight easing was noted in the number of retailers and construction contractors failing in May. Virtually all of this lightening was concentrated in food and apparel stores and among building subcontractors. A steeper decline occurred in manufacturing where casualties reached the second lowest level so far this year. Contrasting increases prevailed in wholesaling and service operations.

In all five functions, however, more businesses failed than in May a year earlier, with increases ranging from 6 per cent in manufacturing to over 30 per cent in service operations. Particularly strong increases hit machinery wholesalers, the automotive and restaurant lines in retailing and business services.

Slackening in failures between April and May in five geographic regions was nearly counterbalanced by heavier tolls in four regions. Providing the main downward push were the states of New York, Michigan, Minnesota and Washington. However, compared to May 1978, uptrends prevailed in all except two areas -- the Middle Atlantic and East South Central. Leading the climb from last year were the New England and South Atlantic States, particularly Massachusetts, Connecticut, North Carolina and Georgia.

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INDUSTRY AND TRADE	NUMBER OF FAILURES				LIABILITIES (In Thousands of Dollars)			
	MAY		FIVE MONTHS		MAY		FIVE MONTHS	
	1979	1978	1979	1978	1979	1978	1979	1978
MINING AND MANUFACTURING								
Mining-Coal, Oil, Miscellaneous	5	5	26	16	720	15,329	14,931	122,512
Food & Kindred Products	2	5	20	34	549	2,519	15,959	26,462
Textile Mill Products & Apparel	7	12	53	69	6,932	22,157	50,626	56,721
Lumber & Lumber Products	12	5	57	55	5,626	5,367	24,842	77,690
Paper, Printing & Publishing	12	19	64	98	5,241	5,956	16,320	10,594
Chemicals & Allied Products	5	2	17	12	521	208	12,323	15,656
Leather & Leather Products	2	2	4	5	8,905	16,655	8,890	17,906
Stone, Clay & Glass Products	3	4	15	14	5,272	552	14,599	1,715
Metals, Primary & Fabricated	8	9	40	56	9,847	6,952	18,115	20,643
Machinery	13	7	90	55	14,791	1,265	41,675	16,949
Transportation Equipment	3	1	20	11	397	62	21,301	7,984
Miscellaneous	22	16	63	69	6,065	6,179	51,134	66,907
TOTAL MINING & MANUFACTURING	92	87	469	454	60,382	87,213	325,220	515,059
WHOLESALE TRADE								
Food & Farm Products	16	12	69	53	4,983	9,051	55,895	25,264	
Apparel	--	--	14	12	--	--	2,660	4,020	
Dry Goods	1	2	7	10	900	590	3,198	2,966	
Lumber, Bldg. Materials & Hardware	12	7	34	29	2,926	5,110	8,412	16,174	
Chemicals & Drugs	--	5	11	17	--	5,062	10,341	24,527	
Motor Vehicles & Auto Equipment	5	6	52	23	752	441	6,326	5,515	
Electrical Goods	5	8	27	32	6,041	2,639	11,044	6,790	
Furniture & Furnishings	4	5	17	15	694	290	5,142	5,530	
Machinery, Equipment & Supplies	22	8	78	56	5,519	845	13,566	10,815	
Miscellaneous	20	11	104	96	9,579	5,337	42,498	30,403	
TOTAL WHOLESALE TRADE	85	66	395	342	29,854	22,415	144,152	127,612	
RETAIL TRADE								
Food & Liquor	25	33	152	121	6,559	2,760	25,251	14,247	
General Merchandise	5	12	28	48	1,365	1,036	3,710	25,304	
Apparel Accessories	36	32	191	196	4,122	1,955	21,224	10,097	
Furniture & Home Furnishings	49	31	212	172	6,953	5,123	32,172	19,858	
Lumber, Bldg. Materials & Hardware	15	14	63	80	1,275	1,431	15,520	10,810	
Automotive Group	51	32	227	181	9,068	5,436	56,781	29,521	
Eating & Drinking Places	66	39	298	226	12,112	5,295	73,690	31,575	
Drug Stores	11	4	36	32	1,179	498	3,805	8,508	
Miscellaneous	51	47	259	236	4,587	3,940	30,416	21,055	
TOTAL RETAIL TRADE	308	246	1,466	1,272	49,900	27,890	250,319	176,909	
CONSTRUCTION								
General Building Contractors	55	52	272	220	13,857	9,949	51,091	47,405	
Building Sub-Contractors	65	48	316	251	15,502	5,085	50,552	36,126	
Other Contractors	7	9	29	24	5,311	2,914	18,679	7,110	
TOTAL CONSTRUCTION	125	109	617	495	34,710	17,547	130,091	92,641	
COMMERCIAL SERVICE								
Passenger & Freight Transportation	24	29	111	113	15,064	5,652	87,436	38,023	
Miscellaneous Public Services	2	1	8	6	764	463	1,826	1,242	
Hotels	3	--	7	12	752	--	5,389	14,456	
Cleaning, Dyeing & Repairing	3	2	14	9	194	69	1,151	1,613	
Laundries	3	2	3	8	207	35	207	615	
Funeral Services	--	--	2	2	--	--	69	294	
Other Personal Services	7	6	35	23	297	374	2,932	2,245	
Business Services	46	27	163	136	6,110	8,460	60,275	84,448	
Repair Services	10	8	53	47	1,695	1,819	5,936	7,085	
TOTAL COMMERCIAL SERVICE	98	75	396	356	25,105	16,872	142,521	150,019	
TOTAL UNITED STATES	708	583	3,361	2,906	200,449	160,395	990,283	1,061,119	

APPARENT ANNUAL NUMBER OF FAILURES PER 10,000 LISTED ENTERPRISES

	UNADJUSTED INDEX			ADJUSTED INDEX		
	1979	1978	1977	1979	1978	1977
January	27.7	21.8	28.7	27.4	21.6	28.4
February	27.9	27.4	34.0	24.4	24.0	29.6R
March	30.1	26.3	34.6	27.9	24.6	32.3
April	32.7	25.3	33.6R	30.8	24.1	31.7R
May	30.3	24.3	31.4	29.1	23.4	30.2
June		21.7	30.5		21.9	30.8
July		20.2	22.2		22.0	24.1
August		27.4	27.6		29.8	29.7
September		20.3	24.5		22.6	27.0
October		21.8	23.7		22.5	24.2
November		26.0	24.1		25.2	27.0
December		26.0	22.5R		26.4	24.7R
Mo. Average		25.9	27.4			

DUN'S FAILURE INDEX RELATES THE NUMBER OF FAILURES IN EACH MONTH TO THE NUMBER OF INDUSTRIAL AND COMMERCIAL ENTERPRISES LISTED IN THE DUN & BRADSTREET REFERENCE BOOK. IT SHOWS THE ANNUAL RATE AT WHICH BUSINESS CONCERNS WOULD FAIL IF THE NUMBER OF FAILURES AND CONCERNS LISTED IN THAT MONTH PREVAILED FOR AN ENTIRE YEAR. THE INDEX IS EXPRESSED AS THE ANNUAL NUMBER OF FAILURES PER 10,000 LISTED INDUSTRIAL AND COMMERCIAL ENTERPRISES.

THE "UNADJUSTED" FIGURES HAVE BEEN SLIGHTLY ADJUSTED TO EQUALIZE, IN SO FAR AS POSSIBLE, THE NUMBER OF WORKING DAYS IN EACH MONTH. SEASONAL FLUCTUATIONS HAVE BEEN REMOVED IN THE ADJUSTED INDEX BY THE METHOD OF DEVIATIONS FROM A TWELVE-MONTH MOVING AVERAGE.

	NUMBER OF FAILURES			LIABILITIES (In Thousands of Dollars)		
	1979	1978	1977	1979	1978	1977
January	642	504	664	182,220	166,308	168,559
February	545	559	695	177,083	205,014	194,197
March	732	666	858	187,765	324,412	248,198
April	734	594	904	242,764	202,990	207,272
May	708	583	724	200,449	160,395	475,886
June		519	752		179,836	305,860
July		459	513		231,821	577,825
August		675	687		206,395	338,252
September		459	560		127,022	96,994
October		511	546		475,342R	115,692
November		556	521		178,953	200,287
December		535	517		126,535	168,317
Total		6,619	7,919		2,656,006R	3,095,317

BUSINESS FAILURES INCLUDE THOSE BUSINESSES THAT CEASED OPERATIONS FOLLOWING ASSIGNMENT, OR BANKRUPTCY; CEASED WITH LOSS TO CREDITORS AFTER SUCH ACTIONS AS EXECUTION, FORECLOSURE, OR ATTACHMENT; VOLUNTARILY WITHDREW LEAVING UNPAID OBLIGATIONS; WERE INVOLVED IN COURT ACTIONS SUCH AS RECEIVERSHIP, REORGANIZATION, OR ARRANGEMENT; OR VOLUNTARILY COMPROMISED WITH CREDITORS OUT OF COURT.

LIABILITIES, AS USED IN THE FAILURE RECORD, HAVE A SPECIAL MEANING: THEY EXCLUDE ALL ACCOUNTS AND NOTES PAYABLE AND ALL OBLIGATIONS, WHETHER IN SECURED FORM OR NOT, KNOWN TO BE HELD BY BANKS, OFFICERS, AFFILIATED COMPANIES, SUPPLYING COMPANIES, OR THE GOVERNMENT. THEY DO NOT INCLUDE LONG-TERM, PUBLICLY-HELD OBLIGATIONS. OFFSETTING ASSETS ARE NOT TAKEN INTO ACCOUNT.

UNITED STATES FAILURES BY STATES -- MAY 1979

REGIONS AND STATES	NUMBER OF FAILURES				LIABILITIES (In Thousands of Dollars)			
	MAY		FIVE MONTHS		MAY		FIVE MONTHS	
	1979	1978	1979	1978	1979	1978	1979	1978
MAINE	6	--	16	19	902	--	1,887	5,025
NEW HAMPSHIRE	2	2	9	11	161	265	4,561	1,091
VERMONT	--	--	5	4	--	--	71	526
MASSACHUSETTS	21	10	86	132	10,366	1,141	51,150	52,416
CONNECTICUT	11	4	58	28	1,353	80	4,636	2,292
RHODE ISLAND	1	--	2	9	144	--	878	1,909
TOTAL NEW ENGLAND	41	16	156	203	12,926	1,484	42,345	61,547
NEW YORK	24	53	247	285	7,855	57,671	110,590	244,195
NEW JERSEY	41	48	155	186	14,545	7,559	68,586	84,700
PENNSYLVANIA	34	20	165	148	13,671	23,393	84,111	83,576
TOTAL MIDDLE ATLANTIC	99	121	567	619	36,051	88,623	261,087	412,471
OHIO	33	35	134	133	4,850	5,026	36,044	15,400
INDIANA	10	13	67	65	1,325	2,525	21,077	12,461
ILLINOIS	45	36	194	186	15,154	10,112	47,897	68,695
MICHIGAN	44	20	217	131	9,327	1,276	64,268	23,420
WISCONSIN	8	4	39	25	127	870	4,462	5,194
TOTAL EAST NORTH CENTRAL	130	106	651	538	31,495	19,809	175,748	125,168
MINNESOTA	11	16	93	75	5,374	1,481	20,342	8,622
IOWA	9	4	35	21	1,458	215	5,433	2,254
MISSOURI	11	5	33	51	1,136	866	4,516	4,695
NORTH DAKOTA	--	9	11	15	--	1,000	2,823	1,299
SOUTH DAKOTA	2	2	15	15	1,210	165	5,575	7,520
NEBRASKA	1	4	27	30	44	993	5,030	10,672
KANSAS	13	5	47	25	969	589	5,628	4,654
TOTAL WEST NORTH CENTRAL	46	45	259	208	8,171	5,089	46,945	99,656
MARYLAND	5	9	57	41	590	*1,490	10,455	5,595
DELAWARE	--	--	6	--	--	--	1,109	--
DISTRICT OF COLUMBIA	1	--	7	--	38	--	1,371	--
VIRGINIA	14	8	51	51	5,380	661	10,265	4,285
WEST VIRGINIA	--	1	10	7	--	36	6,304	1,429
NORTH CAROLINA	16	1	49	7	4,759	909	10,699	1,558
SOUTH CAROLINA	--	--	2	3	--	--	12,042	536
GEORGIA	16	--	67	25	6,332	--	17,815	17,045
FLORIDA	13	15	44	47	3,592	5,807	20,798	18,585
TOTAL SOUTH ATLANTIC	65	35	293	199	19,461	6,893	91,254	48,608
KENTUCKY	4	10	22	35	296	15,148	3,972	18,545
TENNESSEE	23	19	65	79	4,310	1,746	11,930	15,689
ALABAMA	12	11	62	46	4,205	977	11,962	6,598
MISSISSIPPI	3	4	15	12	295	1,257	3,411	2,785
TOTAL EAST SOUTH CENTRAL	42	45	185	171	9,096	19,108	35,515	41,617
ARKANSAS	5	6	30	28	731	641	5,656	4,356
OKLAHOMA	22	19	65	85	5,331	5,567	15,159	11,960
LOUISIANA	8	8	43	40	3,775	1,022	14,129	23,907
TEXAS	61	30	249	151	22,932	4,613	107,698	42,417
TOTAL WEST SOUTH CENTRAL	96	63	391	304	30,769	9,843	135,652	82,240
MONTANA	5	4	18	13	1,893	521	5,694	1,256
IDAHO	--	2	8	9	--	207	1,078	824
WYOMING	--	--	2	2	--	--	1,626	144
COLORADO	14	5	51	11	2,743	275	9,724	725
NEW MEXICO	--	--	3	--	--	--	174	--
ARIZONA	--	3	14	25	--	406	715	6,122
UTAH	1	--	9	--	1,588	--	2,068	--
NEVADA	7	3	18	9	585	302	1,860	714
TOTAL MOUNTAIN	27	17	123	69	6,609	1,811	20,977	9,769
ALASKA	--	--	--	1	--	--	--	10
HAWAII	--	5R	14	9R	--	954R	2,775	3,422R
WASHINGTON	28	19	142	123	9,882	6,832	25,652	27,965
OREGON	17	12	74	54	2,708	2,502	11,593	7,827
CALIFORNIA	109	60SR	508	404R	34,283	17,547R	142,542	144,819R
TOTAL PACIFIC	154	141	738	595	46,873	27,935	182,562	184,043
25 LARGEST CITIES								
NEW YORK, NEW YORK	15	44	188	228	6,346	55,835	99,329	229,932
CHICAGO, ILLINOIS	14	15	54	51	8,808	2,061	19,404	30,690
LOS ANGELES, CALIFORNIA	8	17	35	55	581	5,144	8,788	70,356
PHILADELPHIA, PENNSYLVANIA	6	5	37	48	1,140	200	23,204	25,096
DETROIT, MICHIGAN	4	2	26	18	525	65	6,128	5,545
HOUSTON, TEXAS	15	5	47	32	9,693	474	20,676	15,987
BALTIMORE, MARYLAND	2	1	23	23	115	980	5,763	1,593
DALLAS, TEXAS	12	9	40	36	2,195	1,723	29,867	11,478
WASHINGTON, D. C.	1	--	8	--	38	--	1,906	--
CLEVELAND, OHIO	1	--	11	12	12	--	1,246	784
INDIANAPOLIS, INDIANA	3	3	13	20	436	690	2,675	5,212
MILWAUKEE, WISCONSIN	2	2	8	11	139	575	991	1,570
SAN FRANCISCO, CALIFORNIA	4	2	23	17	270	854	12,682	4,002
SAN DIEGO, CALIFORNIA	1	--	5	--	250	--	835	--
SAN ANTONIO, TEXAS	4	--	14	--	940	--	5,115	--
BOSTON, MASSACHUSETTS	2	1	14	13	93	52	4,165	949
MEMPHIS, TENNESSEE	6	4	15	17	1,790	305	2,821	7,321
ST. LOUIS, MISSOURI	--	1	2	2	--	65	53	98
NEW ORLEANS, LOUISIANA	2	--	9	5	2,715	--	4,351	15,617
PHOENIX, ARIZONA	--	3	6	14	--	406	369	3,183
COLUMBUS, OHIO	4	3	7	10	603	706	4,013	2,834
SEATTLE, WASHINGTON	5	3	20	22	2,318	4,628	5,163	8,416
JACKSONVILLE, FLORIDA	--	--	--	--	--	--	--	--
PITTSBURGH, PENNSYLVANIA	--	3	10	10	--	175	15,963	1,580
DENVER, COLORADO	3	2	11	3	1,263	93	2,611	335
TOTAL 25 CITIES	110	129	526	645	40,272	51,423	276,366	439,676
BALANCE OF COUNTRY	598	454	2,735	2,261	160,177	108,968	713,917	622,443
TOTAL UNITED STATES	708	583	3,261	2,906	200,449	160,395	990,283	1,061,119

SIZE OF LIABILITIES (Thousands of Dollars)

SIZE OF LIABILITIES BY INDUSTRY GROUP	MAY 1979			MAY 1978			FIVE MONTHS 1979			FIVE MONTHS 1978		
	NUMBER	PER CENT	CURRENT LIAB.	NUMBER	PER CENT	CURRENT LIAB.	NUMBER	PER CENT	CURRENT LIAB.	NUMBER	PER CENT	CURRENT LIAB.
MINING & MANUFACTURING	92	100.0	60,792	97	100.0	77,215	447	100.0	323,220	459	100.0	515,959
Under $5,000	--	--	--	2	2.3	8	1	0.2	1	2	0.5	8
$5,000 to $25,000	9	9.8	127	8	8.2	121	52	6.6	512	38	8.0	571
$25,000 to $100,000	21	22.8	1,108	28	32.2	1,925	139	28.5	7,668	139	31.6	8,292
$100,000 to $1,000,000	43	46.7	12,124	36	41.4	9,999	245	50.5	71,604	208	47.4	64,003
$1,000,000 and Over	19	20.7	47,423	13	14.9	65,270	70	14.4	243,435	55	12.5	441,065
WHOLESALE TRADE	85	100.0	29,954	66	100.0	22,913	395	100.0	144,132	362	100.0	127,612
Under $5,000	1	1.2	5	--	--	--	3	0.8	10	--	--	--
$5,000 to $25,000	4	4.7	77	6	9.1	99	30	7.6	469	27	7.5	368
$25,000 to $100,000	26	30.6	1,408	20	30.3	1,127	125	31.6	6,869	129	35.7	7,515
$100,000 to $1,000,000	47	55.3	14,595	35	53.0	9,805	209	52.9	66,955	151	41.7	44,935
$1,000,000 and Over	7	8.2	13,871	5	7.6	11,882	30	7.6	69,851	25	7.5	74,698
RETAIL TRADE	308	100.0	49,900	246	100.0	27,850	1,466	100.0	250,519	1,272	100.0	176,909
Under $5,000	3	1.0	10	1	0.4	2	21	1.4	59	9	0.7	35
$5,000 to $25,000	48	15.6	316	45	18.3	736	238	16.2	5,695	216	17.0	5,571
$25,000 to $100,000	151	49.0	8,682	124	50.4	6,737	685	45.6	56,981	649	51.0	35,574
$100,000 to $1,000,000	98	31.8	25,592	75	30.5	19,375	517	35.5	125,245	382	30.0	91,594
$1,000,000 and Over	8	2.6	14,810	1	0.4	1,500	25	1.7	64,561	16	1.3	46,334
CONSTRUCTION	125	100.0	56,710	109	100.0	17,567	617	100.0	150,091	495	100.0	92,641
Under $5,000	1	0.8	4	1	0.9	1	4	0.6	15	7	1.4	25
$5,000 to $25,000	17	13.6	241	19	17.4	267	72	11.7	1,114	74	15.0	1,192
$25,000 to $100,000	46	36.8	2,607	39	35.8	1,903	241	39.1	13,200	205	41.4	11,605
$100,000 to $1,000,000	52	41.6	15,196	48	44.1	12,177	277	44.9	74,089	195	39.4	55,569
$1,000,000 and Over	9	7.2	16,662	2	1.8	3,129	23	3.7	41,675	14	2.8	26,270
COMMERCIAL SERVICE	99	100.0	25,105	75	100.0	14,872	396	100.0	142,521	306	100.0	150,019
Under $5,000	5	5.1	9	1	1.3	5	7	1.8	19	10	2.8	45
$5,000 to $25,000	24	24.5	374	16	21.4	190	83	21.0	1,210	59	16.5	829
$25,000 to $100,000	26	26.5	1,386	27	36.0	1,601	145	36.1	7,576	136	37.4	7,206
$100,000 to $1,000,000	42	42.8	11,561	30	40.0	8,431	147	37.1	40,555	141	39.4	53,695
$1,000,000 and Over	3	3.1	11,775	1	1.3	4,645	16	4.0	93,561	14	3.9	104,256
TOTAL UNITED STATES	308	100.0	200,449	593	100.0	160,595	3,361	100.0	990,283	2,906	100.0	1,061,119
Under $5,000	2	1.1	28	5	0.9	16	36	1.1	102	28	1.0	111
$5,000 to $25,000	102	14.4	1,555	94	16.1	1,415	455	13.5	7,000	411	14.1	6,351
$25,000 to $100,000	270	36.2	15,101	238	40.6	15,263	1,311	39.0	72,294	1,256	43.2	70,230
$100,000 to $1,000,000	292	39.8	79,159	224	38.4	59,237	1,365	41.5	378,224	1,087	37.4	291,904
$1,000,000 and Over	46	8.5	104,556	22	3.8	86,426	164	4.9	532,663	124	4.3	692,623

FAILURES BY FEDERAL RESERVE DISTRICTS BY DIVISIONS OF INDUSTRY...May 1979
(Liabilities in Thousands of Dollars)

FEDERAL RESERVE DISTRICTS BY INDUSTRY GROUP	MANUFACTURING		WHOLESALE TRADE		RETAIL TRADE		CONSTRUCTION		COMM. SERVICE		U. S. TOTAL	
	NUMBER	CURRENT LIAB.	NUMBER	CURRENT LIAB.	NUMBER	CURRENT LIAB.	NUMBER	CURRENT LIAB.	NUMBER	CURRENT LIAB.	NUMBER	CURRENT LIAB.
Boston	5	4,086	6	2,716	17	1,510	4	2,170	6	1,853	38	12,315
New York	11	6,249	9	2,449	21	1,204	7	1,374	2	580	50	11,856
Philadelphia	7	8,994	1	1,000	12	1,682	7	5,376	10	2,300	37	17,352
Cleveland	2	503	6	416	13	1,260	8	2,267	9	790	38	5,236
Richmond	6	5,961	5	1,228	20	4,041	11	1,212	5	240	47	15,682
Atlanta	5	5,941	5	2,448	33	6,766	9	2,309	14	4,607	66	20,071
Chicago	15	6,008	15	8,232	49	5,951	17	5,568	18	1,923	110	27,562
St. Louis	1	1,381	2	484	5	276	6	497	2	367	16	2,985
Minneapolis	4	1,604	3	412	6	2,849	6	1,638	3	560	22	7,065
Kansas City	1	97	3	654	30	4,019	12	1,365	6	529	56	6,664
Dallas	15	8,589	13	6,101	28	4,267	9	4,320	1	9	66	25,286
San Francisco	24	10,369	15	5,814	74	16,095	29	8,614	24	11,485	166	50,377
Total United States	92	60,792	85	29,954	308	49,900	125	56,710	99	25,105	708	200,449

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